

NOTICE OF INTENT
Department of Revenue
Policy Services Division

Under the authority of R.S. 47:293(3), R.S. 47:297(B), R.S. 47:295, R.S. 47:1511, and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, proposes to adopt LAC 61:I.1307 relative to the federal income tax deduction.

Louisiana Revised Statute 47:293(3) defines “federal income tax liability” to mean “the total amount of tax due to the United States for the taxable period on the individual income tax return required to be filed by any taxpayer, except that social security taxes and self-employment taxes shall not be included.” The adoption of LAC 61:I.1307 will clarify the federal income tax deduction.

Title 61
REVENUE AND TAXATION
Part I. Taxes Collected and Administered
By the Secretary of Revenue

Chapter 13. Income: Personal

§ 1307. Federal Income Tax Deduction

Individual income taxpayers who deduct the federal income tax liability defined in R.S. 47:293(3) and are due a credit for foreign taxes, shall be allowed two options for computing the federal income tax liability deduction. The taxpayer may either:

- A. use a federal tax liability that has been reduced by the federal credit for foreign taxes allowed by Internal Revenue Code Section 27, and take the Louisiana credit for federal credits provided by R.S. 47:297(B); or
- B. use a federal tax liability that has not been reduced by the federal credit for foreign taxes allowed by Internal Revenue Code Section 27, and forego any claim to the Louisiana credit for federal credits provided by R.S. 47:297(B).

AUTHORITY NOTE: Adopted in accordance with R.S. 47:293(3), R.S. 47:297(B), R.S. 47:295, and R.S. 47:1511.

HISTORICAL NOTE: Adopted by the Department of Revenue, LR 28:

Family Impact Statement
For Administrative Rules

Rule Title: 61:I.1307. Federal Income Tax Deduction

The proposed adoption of LAC 61:I.1307, regarding the federal income tax deduction should not have any known or foreseeable impact on any family as defined by R.S. 49:972(D) or on family formation, stability and autonomy. Specifically:

1. The implementation of this proposed rule will have no known or foreseeable effect on the stability of the family.
2. The implementation of this proposed rule will have no known or foreseeable effect on the authority and rights of parents regarding the education and supervision of their children.
3. The implementation of this proposed rule will have no known or foreseeable effect on the functioning of the family.
4. The implementation of this proposed rule will have no known or foreseeable effect on family earnings and family budgets.
5. The implementation of this proposed rule will have no known or foreseeable effect on the behavior and personal responsibility of children.
6. The implementation of this proposed rule will have no known or foreseeable effect on the ability of the family or a local government to perform this function.

Any interested person may submit written data, views, arguments or comments regarding this proposed rule to Michael D. Pearson, Senior Policy Consultant, Policy Services Division, Office

of Legal Affairs by mail to P.O. Box 15409, Baton Rouge, LA 70895-5409. All comments must be submitted no later than 4:30 p.m., January 24, 2002. A public hearing will be held on January 25, 2002, at 2:30 p.m. in the Legal Conference room on the seventh floor of the LaSalle Building, 617 North Third Street, Baton Rouge, Louisiana 70802.

Cynthia Bridges
Secretary